

Message Text

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ACTION STR-07

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-11 IO-13
ISO-00 STRE-00 OIC-02 AGR-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 DOEE-00 /174 W
-----127021 191729Z /50

P 191713Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1034
INFO AMEMBASSY LAGOS

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USMTN

ACTION STR

STR PASS CODEL

EO 11652: N/A
TAGS: MTN, ETRD, NI
SUBJECT: US/NIGERIA MTN BILATERAL

1. SUMMARY: MTN DEL (GRAEF) MET WITH NIGERIAN MTN DEL
(ADEWAKUN) ON JUNE 14 TO DISCUSS STATUS OF NIGERIAN
RESPONSE TO US REQUESTS. ADEWAKUN INDICATED THAT HE HAD
FORWARDED A RECOMMENDATION TO CUSTOM OFFICIALS IN LAGOS
TO CONSIDER FAVORABLY US REQUESTS FOR VEGETABLE PROTEIN
CONCENTRATES AND ISOLATES (BTNS 21.07 & 35.04). WITH
REGARD TO OTHER REQUESTS ADEWAKUN PRESENTED STEREOTYPED
LDC ARGUMENT AGAINST BINDINGS AND REQUESTED CREDIT FOR AN
INFORMAL METHOD OF DUTY EXEMPTION PRACTICES BY NIGERIA.
MTN DEL ALSO TOOK THE OPPORTUNITY TO REMIND NIGERIAN DEL
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OF ITS OBLIGATION TO NOTIFY THE GATT OF TRADE RESTRICTION
MEASURES INTRODUCED IN APRIL. END SUMMARY.

2. THE PRODUCTS SPECIFIC DISCUSSION OF US REQUEST TO
NIGERIA REVEALED THE FOLLOWING:

A. BTN 84.12, DOMESTIC AIR CONDITIONERS; ADEWAKUN

INDICATED NO POSSIBILITY OF A CONCESSION SINCE
THERE WAS LOCAL ASSEMBLY IN NIGERIA.

B. 48.01, KRAFT PAPER AND PAPER BOARD; LOCAL PRO-
DUCTION OF THIS ITEM IN NIGERIA PRECLUDED DUTY
REDUCTION, ON THE OTHER HAND DUTIES ON PULP
COULD BE LIBERALIZED.

C. 84.18, REPLACEMENT - ENGINE PARTS FOR EARTH
MOVING EQUIPMENT; NIGERIAN GOVERNMENT PRACTICE
WAS TO WAIVE DUTIES FOR THESE PARTS. ADEWAKUN
UNDERTOOK TO SUBMIT US REQUEST FOR NEW TARIFF
POSITION FOR RECONSIDERATION.

D. 15.02B, INEDIBLE TALLOW; CURRENT PRACTICE WAS
TO WAIVE THE DUTY OF TALLOW AS INPUT TO
THE SOAP INDUSTRY.

E. 21.07 AND 35.04, VEGETABLE PROTEINS AND ISOLATES;
SEE PARAGRAPH 1 ABOVE.

3. WITH RESPECT TO BINDINGS ADEWAKUN INDICATED THAT
NIGERIA AS A DEVELOPING COUNTRY WAS IN NO POSITION TO BIND
EITHER CURRENT OR REDUCED TARIFFS AND REQUESTED INSTEAD
THAT IT RECEIVE CREDIT FOR ITS PRACTICE OF WAIVING DUTIES
WHEN NECESSARY. MTN DEL COUNTERED IT'S ARGUMENTS AND
POINTED TO THE PROVISIONS OF ARTICLE XVIII TO DEMONSTRATE
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FLEXIBILITY OF CURRENT GATT WITH REGARD TO BINDINGS.
ADEWAKUN ALSO ASKED THAT US GIVE IT CREDIT FOR RECENT
NIGERIAN GOVERNMENT INVESTMENT INCENTIVES TO BOOST AGRI-
CULTURAL PRODUCTION, AND PROVIDED MTN DEL WITH A COPY OF
THESE INCENTIVES. AMONG OTHER MEASURES THESE INCENTIVES
INCLUDE THE ABOLITION OF IMPORT DUTIES ON TRACTORS AND
OTHER AGRICULTURAL MACHINERY AND EQUIPMENT AND THE RE-
MOVAL OF IMPORT DUTIES ON RAW MATERIAL FOR THE MANUFAC-
TURE OF LIVESTOCK FEED.

4. MTN DEL POINTED TO THE IMPORTANCE OF HAVING A CLEAR
RESPONSE FROM NIGERIA TO US REQUEST AS CLOSE TO JUNE 20
AS POSSIBLE NOTING THAT ON JUNE 20 THE US WOULD BEGIN A
REVIEW OF IT'S MTN OFFER IN LIGHT OF JULY 15 DEADLINE FOR
THE MTN. ADEWAKUN RESPONDED THAT NIGERIA COULD NOT BE IN
A POSITION TO EVALUATE MTN RESULTS OR TO RESPOND DEFINI-
TIVELY TO THE US REQUEST BY JULY 15. HE STATED THAT HE
PERSONALLY WOULD HAVE TO GO TO LAGOS TO PREPARE A RESPONSE
AND THAT THIS WAS IMPOSSIBLE BEFORE JULY 15.

5. COMMENT: MTN DEL CONTINUES TO BELIEVE THAT ADEWAKUN IS
DEALING LARGELY ON AN AD HOC BASIS WITHOUT INSTRUCTIONS

FROM LAGOS. US REQUESTS ON TALLOW, VEG. PROTEINS, AND SPARE PARTS APPEAR CONSISTENT WITH NIGERIAS DEVELOPMENT INTERESTS AND WORTHY OF FMG CONSIDERATION. MTN DEL THEREFORE REQUESTS AMEMBASSY LAGOS ASSISTANCE IN CONVEYING TO APPROPRIATE FMG OFFICIALS OF THE SERIOUSNESS WITH WHICH US VIEWS APPROACHING JULY 15 DEADLINE (STATE 140975). IN ADDITION REQUEST WASHINGTON AND EMBASSY ASSESSMENT OF THE SIGNIFICANCE OF THE DUTY ELIMINATION ON AG MACHINERY AND ANIMAL FEED INPUTS. END COMMENT.

6. DRAFTED BY GRAEF. CULBERT

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Message Attributes

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